Smuggling of goods into Bangladesh

3204. SHRI MATILAL SARKAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have made any assessment on the money value of the goods which are smuggled into Bangladesh from India through porous border during one year;

(b) what is the estimated loss of revenue from India side; and

(c) whether Government propose to set up open markets at the border through which goods can be sold legally and revenue can be earned?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Since goods like cattle, pharmaceutical drugs, coal, fresh fruits etc. are smuggled into Bangladesh by individual carriers in small quantities, no realistic assessment of the money value of the goods smuggled into Bangladesh has been made. However, during the last year, goods valued at Rs. 16.43 crores were seized which were meant for smuggling into Bangladesh.

(b) As these goods do not attract any export duty, there is no revenue loss on account of their being smuggled.

(c) Yes, Sir. There is a proposal to set up Border Haats along the Indo-Bangladesh border. Consultations with the Bangladesh Government are being made in this regard by the Ministry concerned.

Upgradation of the post of Income Tax and Central Excise Inspectors

3205. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to refer to the reply of Unstarred Question 5350 given in the Rajya Sabha on the 12th May, 2005 and state:

(a) whether the Central Government propose to upgrade the posts of Inspectors of Income Tax and Central Excise as Group 'B' Gazetted posts in view of their Pay Scale of Rs. 6500-10500;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) Does not arise.

(c) The scale of pay of the posts of Inspectors of Income Tax and Central Excise was revised from Rs. 5500-9000 to Rs. 6500-10500 by the Department of Expenditure. With this upgradation of the scale of pay, the posts came under the classification of Group 'B' Non-Gazetted. As it was only an upgradation of the scale of pay and did not involve any change in the nature of duties assigned to the post, it remains as Group 'B' Non-Gazetted.

Tax evasion in marble and opium trade

3206. DR. K. MALAISAMY: Will the Minister of FINANCE be pleased to state:

(a) the approximate quantum of tax evasion in marble and opium trade;

(b) whether there are official auctions in opium trade; and

(c) what are the effective steps to avert tax evasion in these areas?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) In so far opium is concerned, opium cultivation in India is carried out by licensed farmers, only in the tracts notified by the Government. As no private party is involved in opium trade the question of tax evasion does not arise.

In so far as marble trade is concerned, tax evasion of central excise duty of Rs. 1781.92 lakh has been detected in marble trade. The quantum of customs duty evasion in marble trade is negligible. However, in the year 2004-2005 the estimated customs duty evasion was about Rs. 5.19 crore, being Rs. 5.04 crore in a single case.

In so far as Direct Taxes are concerned, since no business/trade wise data in respect of tax evasion is maintained by Central Board of Direct Taxes, it is not possible to quantify the tax evasion in marble and opium trade.

(b) In view of (a) above, does not arise.

(c) Various statutory measures as laid down by the Income Tax Act, 1961 including scrutiny, survey, search & seizure etc. are taken for averting